

Navy Thefts Fed Drug Habits



COURTESY U.S. ATTORNEY'S OFFICE - Empty gun casings, at top, and ship valves worth thousands of dollars, above, were resold to scrap dealers for pennies on the dollar.

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Nine have been convicted in federal court for stealing from Pearl Harbor

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Former Pearl Harbor shipyard employees stole hundreds of thousands of dollars worth of ship parts and sold them to scrap dealers so they could buy crystal methamphetamine, federal prosecutors say.

The theft and the unauthorized sale of recyclable materials from Pearl Harbor were uncovered in an ongoing investigation by the FBI and Naval Criminal Investigative Service that has resulted in nine federal criminal convictions, including three former shipyard employees.

The convictions from the wide-ranging investigation, which began in 2002 and is ongoing, also included a former Pearl Harbor Recycling Center supervisor.

On Monday, Robert Aguigui, 50, pleaded guilty in U.S. District Court to four counts of soliciting and accepting bribes in exchange for arranging the unauthorized sale of recyclable materials and bypassing the competitive bid process in the awarding of a recycling contract. His crimes occurred between July 2000 and April 2003.

Aguigui, a former supervisor at the Pearl Harbor recycling program, was responsible for soliciting bids from scrap dealers and recommending contracts for the sale of scrap metal. The recycling center is the depository for all scrap materials on base, which are contracted out and sold with the proceeds going toward maintaining recreational facilities such as bowling alleys and parks for military dependents.

"That operation had been doing poorly and was not showing anywhere near the money you would expect out of a base as huge as Pearl Harbor," said Assistant U.S. Attorney Larry Butrick.

The investigation into Aguigui revealed that he was taking bribes to sell primarily scrap materials to two local recycling companies in Kapolei and Sand Island on more than two dozen occasions, then destroying receipts of the transactions. He also solicited money from an undercover FBI agent posing as a scrap dealer in exchange for issuing a recycling contract.

Huge containers of shell casings were among the items Aguigui sold to investigators. The casings are supposed to be destroyed so they can't be reused for reloads, Butrick said.

"Whatever came in the yard, we could buy as is," he said. Aguigui was recorded on audio and videotape and has admitted wrongdoing. He later made covert calls to two of the vendors who purchased scrap materials from him and accepted bribes from them, resulting in criminal charges against them, Butrick said. Wayne Chin-Yu Lu, former general manager of Primetal Group Inc. in Kapolei, pleaded guilty last October to one count of giving an "illegal gratuity," punishable by a maximum of two years in prison.

A few months earlier, In Yong Chong, owner of CM Recycling on Sand Island Access Road, pleaded guilty to one count of bribery, punishable by a maximum of 15 years. In the matter involving Lu, Aguigui set up shell companies and directed Lu to pay into these companies, Butrick said. He also had Lu loan him money that he never repaid.

Lu's attorney, Howard Chang, declined comment. Lu is awaiting sentencing in July. As part of the investigation, dubbed "Tin Man," a storefront metal scrap dealership was set up to purchase property stolen from the Navy base. In one instance, a new valve worth almost \$20,000 that was stolen off a pier and was supposed to be installed on a ship, was sold at the storefront for what the metal was worth -- about \$100. Another valve valued at \$8,500 was sold for \$70 to \$80, Butrick said. Charged last year with the unauthorized sale of Navy property were James J. Carreira, also known as "Bob Marley"; Pama Kanehailua; Wayne J. De Young Jr.; Darnell K. Johnson; Carl Graham Roberts Jr.; and Roberts' girlfriend, Virginia L. Johnson. All had "big-time ice problems," Butrick said. All pleaded guilty and face a maximum 10 years imprisonment.

Carreira, De Young and Roberts all worked at the shipyard and lost their jobs. At least two of them went from making nearly \$70,000 a year to losing everything and living in their cars at the beach, Butrick said. The other three were accomplices who helped sell off the parts, he said. The way they managed to remove the parts off the base were "fairly obvious," said Butrick, who declined to go into detail. "But these were employees and people who worked on repairing things, so there was a lot less scrutiny and questions asked." The FBI and Naval Criminal Investigative Services got involved because of the type of items being taken.

"Anytime you have a warship that can't go to sea because someone stole the part for it, it's serious," Butrick said. "If it was simple as a guy stealing stuff from a Navy base, it might not have gotten this far."

Kanehailua, Darnell Johnson and De Young were sentenced last month and received three years, four years and five years probation, respectively. The remaining defendants are awaiting sentencing.

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